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District of Arizona*

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## **CHANDLER MAN SENTENCED TO 33 MONTHS FOR BANKRUPTCY FRAUD**

PHOENIX –A Chandler man was sentenced on Wednesday in United States District Court to 33 months in prison for filing false statements in bankruptcy proceedings. Mario G. Bernadel, 48, pleaded guilty nearly one year ago to two counts of fraudulently filing bankruptcy petitions on behalf of people who had no knowledge that he was doing so.

In 2002 Bernadel approached two Valley married couples whose homes were in foreclosure. He prevailed upon the homeowners to sign their homes over to him by convincing them that by doing so, they would each avoid having a mortgage foreclosure on their credit reports. After obtaining the homes in this manner, Bernadel then rented or leased the properties and collected rents on them.

In April 2003 and again in October 2003, Bernadel fraudulently filed Chapter 13 voluntary bankruptcy petitions in the names of the homeowners. The filing of a petition in bankruptcy results in the automatic issuance of a stay of collections proceedings, including mortgage foreclosures and trustee's sales. The homeowners had no knowledge that Bernadel had filed bankruptcy petitions in their names and that he did so to halt the foreclosures so that he could continue to profit from renting the properties to others. Eventually the homes were foreclosed upon, resulting in a detrimental impact upon the homeowners' credit ratings and financial losses to them.

In imposing sentence, United States District Judge James A. Teilborg noted that Bernadel preyed upon people who were particularly vulnerable due to the stresses produced by facing the likelihood of losing their homes to foreclosure. In addition to 33 months of imprisonment, Bernadel was ordered to pay more than \$86,000 in restitution, a \$5000 fine and a \$100 assessment. Upon completing his prison term, Bernadel must serve three years of supervised release.

The investigation of this case was conducted by Tom Kadotani of the United States Trustee's Office. The prosecution was handled by Frank T. Galati, Assistant United States Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-06-0260 PHX-JAT  
RELEASE NUMBER: 2007-179(Bernadel)

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